

**AGREEMENT AMENDING THE AGREEMENT BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND THE GOVERNMENT OF THE REPUBLIC OF COLOMBIA
CONCERNING THE ESTABLISHMENT OF AN AMERICAS ACCOUNT
AND ADMINISTERING COUNCIL**

CONSIDERING that on June 18, 1993, an Agreement was signed between the Government of the United States of America and the Government of the Republic Colombia, through which an Americas Account and Administering Council were established to promote activities designed to preserve, protect, or manage the natural and biological resources of the Republic of Colombia in an environmentally sound and sustainable manner, while encouraging the improvement of child survival and development within the context of sustainable development in Colombia.

CONSIDERING that it is necessary to amend the existing structure for the administration and operation of the Americas Account.

CONSIDERING that the Agreement may be amended by written agreement of the Parties, according to paragraph 3 of Article 10 of the Agreement.

THEREFORE, it is agreed to amend the following articles.

**ARTICLE II
AMERICAS ACCOUNT**

1. Paragraph 1 shall be deleted and replaced as follows:

The Government of the Republic of Colombia shall ensure that an Americas Account (the "Account") is established in accordance with the laws of the Republic of Colombia, whose establishment and administration will correspond to the legal entity appointed by the Parties.

2. Paragraph 6 shall be deleted and replaced as follows:

The Council, in consultation with the Parties, shall select a fiscal agent(s) for the Account, who shall be charged with the investment and disbursement of the monies in the Account pursuant to the directives of the Council. In considering the selection of a fiscal agent(s), the Parties shall consider specifically whether a surety bond shall be required. The fiscal agent(s) shall ensure that the Council is promptly notified in writing when the Government of the Republic of Colombia makes a deposit in the Account pursuant to its debt service obligations as set forth in paragraph 2 of this Article.

3. Paragraph 8 shall be deleted and replaced as follows:

The Government of the Republic of Colombia shall require that the Council make every effort to ensure that the investments in Colombian pesos yield a positive real interest rate. The Council shall determine the minimum rate of return for investments in Colombian pesos and in foreign currencies. To the extent that prudent investment practices cannot accomplish this goal, the Council shall promptly bring this matter to the attention of the Parties for their consideration with a view toward identifying appropriate corrective measures.

4. Paragraphs 2, 4, 5 and 7 remain the same and paragraphs 3.A, 3.B, 3.C and 3.D of this Article are eliminated and the paragraphs shall be renumbered accordingly.

ARTICLE III ESTABLISHMENT AND COMPOSITION OF THE COUNCIL

1. Paragraph 1 shall be deleted and replaced as follows:

The Government of the Republic of Colombia shall ensure that an Americas Council (the "Council") is established in accordance with this Agreement as amended with its responsibilities defined in Article IV of this Agreement as amended. The Initiative for the Americas in Colombia may obtain legal personality and its own autonomy, in accordance with the laws of the Republic of Colombia. The Council will be the maximum directive entity of the Initiative for the Americas in Colombia.

2. Paragraph 2.C shall be deleted and replaced as follows:

Five representatives from a broad range of Colombian environmental and local community development, as well as child survival and child development, non-governmental organizations, and scientific and academic bodies. These representatives will be named to the Council by representatives of the Government of the Republic of Colombia, in consultation with these groups. The composition of this group of representatives will be approved jointly by the Parties.

3. Paragraph 3 shall be deleted and replaced as follows:

Council members appointed in accordance with Article III. 2(A) and (B) shall serve at the discretion of the appointing Party. Council members described in Article III. 2(C) shall be appointed by the Government of the Republic of Colombia with the consent of the representative of the Government of the United States of America, shall serve for a period of two years, and may be removed by agreement of the Parties. Consecutive terms for Council members shall be permitted.

4. Add the following as paragraph 5:

The members of the Council of the Americas will not belong to Boards or Councils of entities that are contracted for the provision of technical, administrative or financial services.

5. Paragraphs 2.A, 2.B and 4 remain the same.

ARTICLE IV FUNCTIONS OF THE COUNCIL

1. Paragraph 1 shall be deleted and replaced as follows:

The Council shall be responsible for the management, direction and control of the implementation of the Initiative for the Americas. The Government of the Republic of Colombia, in consultation with the Government of the United States of America, shall ensure that the Council has the necessary authority to carry out the functions assigned to it in this Agreement. The Council may authorize the contracting of technical, administrative, financial and operational services for the appropriate management of the Fund, subject to the review and approval of both Parties.

2. Paragraph 2.A. shall be deleted and replaced as follows:

Ensure that a public announcement is issued and widely disseminated which calls for grant proposals, and which states the criteria for selection of projects eligible for grant assistance and the qualifications of organizations eligible to submit proposals for awards.

3. Paragraph 2.B. shall be deleted and replaced as follows:

When the Council authorizes the contracting of technical support services, the entities providing these services shall receive grant proposals from eligible organizations according to the present Agreement. These entities shall present the proposals to the Council with their technical recommendations and justifications.

4. Paragraph 2.D. shall be deleted and replaced as follows:

Ensure that the grants authorized by the Council are announced publicly.

5. Paragraph 5 shall be deleted and replaced as follows:

The Council shall meet at least once every two (2) months.

6. Paragraph 6 shall be deleted and replaced as follows:

The Council shall ensure that performance under grants and other agreements is monitored to determine whether the time schedules and other performance goals are being achieved. Grant agreements shall provide for periodic progress reports from the grantee to the Council and to the technical support entities designated by the Council. Such reports will review all project components essential to the successful achievement of the goals of the project. Such reports shall be presented by the grantee at least semi-annually.

7. Paragraph 7 shall be deleted and replaced as follows:

The Council will agree annually to charges by the Agents and entities that are contracted to provide technical and administrative services. The Council shall prepare an annual budget for administrative expenses related to the operation of the Account, including operating expenses of the Council, which will be subject to an affirmative vote of the representatives of both Parties.

8. Paragraph 8 shall be deleted and replaced as follows:

The Council may authorize the withdrawal of sums from the Account necessary to pay for the technical, administrative and financial expenses, including the fiscal audit required pursuant to this Article, and those related to its operation in agreement with the budget and rates specified in the previous paragraph. The total of these sums shall not exceed the value agreed upon annually by the Parties and may be modified through an exchange of notes. The Council will work to establish a formula, for approval of the Parties, to limit technical, administrative and financial expenses to the smallest possible percentage of those funds distributed to grantees consistent with recognized standards of accountability and effective technical support.

9. Renumber paragraph 9 as paragraph 10.

10. Add a new paragraph 9 as follows:

The Council will undertake an annual evaluation of the technical, administrative, financial and operational services provided by the contracted entities in order to determine the viability of continuing with these respective contracts. The Council may order the termination of a contract for failure of the contracted entity to fulfill its conditions, request contract renewal if established performance criteria are met, or request a competitive bidding process as necessary to select an alternative contractor.

11. Paragraphs 2.C., 2.E., 3, 4 and 9 (now 10) remain the same.

**ARTICLE V
ELIGIBILITY OF PROJECTS AND ORGANIZATIONS**

1. Paragraph 3 shall be deleted and replaced as follows:

Grants will be awarded to organizations strictly on the merits of the proposals presented to the Council.

2. Paragraphs 1, 2 and 4 remain the same.

**ARTICLE VI
DISBURSEMENT OF FUNDS**

1. Paragraph 1 shall be deleted and replaced as follows:

The Council shall order the fiscal Agents appointed pursuant to Article II. 6 to disburse grants from the Account to organizations eligible under Article V.2 when the Council approves a proposal eligible under Article V.1. All disbursements to grantees shall be made subsequent to approval by the entity contracted to undertake project monitoring and in accordance with an agreement for project implementation between the grantee and the entity providing the project monitoring service.

3. Paragraph 2 shall be deleted and replaced as follows:

The fiscal Agent shall make disbursements promptly to designated recipients in accordance with directions received from the Council. In no case shall more than fourteen (14) calendar days elapse between receipt of a direction for disbursement and actual disbursement of funds.

**ARTICLE VIII
SUSPENSION OF DISBURSEMENTS**

In paragraphs 2, 3, 4 and 5 where reference is made to "ECOFONDO," this should be understood as "the Council."

Articles I, VII, IX and X of the original Agreement remain in force without modifications.

IN WITNESS WHEREOF the undersigned being duly authorized by their respective Governments, have signed this Agreement.

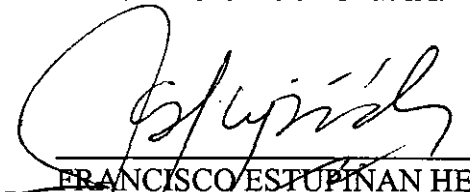
DONE at Santafé de Bogotá this 27th day of March 2000, in duplicate, in English and Spanish languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA



CURTIS KAMMAN
Ambassador of the United States of
America in Colombia

FOR THE GOVERNMENT OF THE
REPUBLIC OF COLOMBIA:



FRANCISCO ESTUPINAN HEREDIA
Viceminister of Finance and Public Credit
in charge of the functions of the Office of
the Minister